



**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2024/25**

Aberdeen City Council holds a financial interest in a number of Subsidiaries, Associates and Joint Ventures. The most significant of these, in terms of size of trading operations and other factors, are included in the Council's Group Accounts.

The table below outlines the entities to be consolidated into the Council's Group Accounts and details the Council's share of "ownership" of each of the entities.

For the Financial Year 2024/25	ACC Control	ACC Commitment to meet accumulated deficits	Annual Turnover
	%	%	£m
Subsidiaries			
Common Good	100	100	5
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	15
Bon Accord Care Limited	100	100	29
Bon Accord Support Services Limited	100	100	35
Aberdeen Heat and Power	100	100	7
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
BP Aberdeen Hydrogen Energy Ltd	50	50	
Aberdeen City Integration Joint Board	50	50	420
Associates			
Grampian Valuation Joint Board	39	39	5

The Council has agreed to include information only when it has been reported through a group entities governance structure.

For the Financial Year 2024/25	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	31.12.24	187	(642)	
Trust Funds	31.03.24	175	-	Full year forecast not internally available at Q3
Sport Aberdeen Limited	31.12.24	524	200	
Bon Accord Care Limited and Bon Accord Support Services Ltd	31.12.24	68	-	Forecasting a Break Even position at Q3
Aberdeen Heat and Power Ltd	31.12.24	(296)	(440)	
Joint Ventures				
Aberdeen Sports Village Limited	30.11.24	(213)	-	Forecasting a Break Even position at Q3
BP Aberdeen Hydrogen Energy Ltd	31.12.24	(190)	-	Full year forecast not internally available at Q3
Aberdeen City Integration Joint Board	31.12.24	(4,000)	(10,454)	Forecasting a deficit position at Q3
Associates				
Grampian Valuation Joint Board	31.12.24	270	0	Full year forecast not internally available at Q3

The notes below summarise the latest financial position in respect of each of the group entities.

Subsidiaries

Common Good

The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. It is invested in land and buildings, such as industrial estates and farms, with any surplus being placed on cash deposit, with £30m of accumulated cash invested in a multi-asset income fund managed by Fidelity.

The Common Good is currently showing an operational surplus at the end of Quarter 3 of £187k, and a projected deficit of £642k for the financial year. The financial statements for the quarter are shown in Appendix 3.

Trust Funds

The Council is responsible for the administration of various trusts created by bequest or evolved through history or by public subscription which are utilised for a variety of benefits such as education and social work, charitable purposes, religious instruction, medical institutions, and the upkeep of public works. The money earned from the investments of the Trusts is used to provide grants and awards to trust beneficiaries, prizes and dux medals for school children and requisites for clients in Social Work homes.

At the end of March 2024, the Trusts reported a net surplus of £175k.

The Trusts are not expected to have a material impact on the Council's financial position for 2024/25.

Sport Aberdeen

Sport Aberdeen Limited is a charity and constitutes a limited company, limited by guarantee. The principal activity of the company is the provision of recreation leisure facilities and services on behalf of Aberdeen City Council in accordance with key priorities. Although Aberdeen City Council does not own the entity, it is considered that control representing power to govern exists through agreements in place and that Sport Aberdeen Limited operates as a structured entity of the Council.

The results for the period ended 31st December 2024 show net surplus of £524k.

The main reasons for this surplus variances is as below:

-Golf course performance showing £135k better than budget due to increase in membership against budget.

-Dyce 3G football pitch showing £23k better than budget.

-Lynx Ice Arena showing £130k better than budget due to the deferral of the planned shutdown in the summer months.

-Learn to swim activities being £120k better than budget.

-The remainder of the surplus could be attributed to overall increase in memberships which has continued to drive overall income and various other up and down movements.

-However, the surplus is reduced by a deficit of £100k in Northfield Pool. This is mainly due to current and prior year utility costs.

Sport Aberdeen is forecasting a net surplus of £200k for financial year 2024/25. The forecasted surplus is less than the Q3 surplus due to expected repairs and maintenance work to be carried out during the second half of the year.

Bon Accord Care and Bon Accord Support Services

Bon Accord Care Limited (BAC) and Bon Accord Support Services Limited (BASS) are private companies limited by shares which are 100% held by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

The consolidated position of Bon Accord Care and Bon Accord Support Services shows a surplus of £68k against budget for the period ended 31st December 2024.

One of the most significant risks BAC faces is the recruitment and retention of care staff. BAC are currently undertaking a significant recruitment campaign for Support Workers and Service Supervisors. So far, this has led to a 4% reduction in vacancy rate compared to the previous quarter, with current vacancy rate around 17%.

BAC continues to review its operations to deliver efficiencies in staffing, IT/Network Capacity and other areas. At the end of Q3, BAC remains on track to deliver the £920k budget efficiencies embedded within the 2024/25 budget.

The COSLA agreed pay award in respect of financial year 2024-25 was implemented in October 2024.

The consolidated forecast position at Q3 for BAC and BASS for 2024/25 is a balanced budget.

Aberdeen Heat and Power Ltd (AH&P Ltd)

AH&P Ltd is a company limited by guarantee and has no share capital. Aberdeen City Council is the sole member of AH&P which is a wholly owned subsidiary of the council guarantor. All AH&P board appointments are made by the Council as the sole member of AH&P Ltd.

For the period ended 31st December 2024, Aberdeen Heat and Power shows a deficit of £296k. The forecast for the financial year shows a deficit of £440k.

The main reasons for the deficit in the Q3 is mainly due to direct costs being 5% higher than budget. This is as a result of gas costs being higher in line with commercial heat sales.

The impact of this loss is mitigated by commercial heat sales being 3% higher than budget.

The forecast deficit will be covered by AH&P reserves at the end of the financial year.

Joint Ventures

Aberdeen Sports Village Limited (ASV Ltd)

ASV Ltd is a company limited by guarantee and registered as a charity. It is a joint venture company owned equally by the Council and The University of Aberdeen. ASV Ltd was incorporated in 2007 and its objectives are to provide sports and recreational facilities, including elite sports facilities for the use of both students and staff of the University of Aberdeen and the public, and the advancement of public participation in sport.

The financial year end for ASV Ltd is not aligned to the Council's with its year end being 31 July. The accounts for the period ended 30th November 2024 showed that ASV Ltd reported a deficit of £426k. The share of the deficit being attributed to the Council is £213k. They expect to breakeven by year end, 31 July 2025.

Aberdeen City Integration Joint Board (IJB)

The IJB was established by order of Scottish Ministers on 6 February 2016, becoming fully operational from 1 April 2016. The IJB is responsible for the strategic planning, resourcing and operational delivery of all integrated health and social care within the Aberdeen City area. This has been delegated by the partners, Aberdeen City Council and NHS Grampian.

The IJB is expected to achieve a balanced budget annually, and retains reserves to mitigate unplanned additional costs arising during the year. However, there remains a high risk that if there is an overspend at the end of the financial year the Council may have to fund a portion of that deficit.

As at 31st December 2024, the IJB is forecasting an overspend that will result in the use of all of its available Usable Reserves, approx. £6.1m, however this will not resolve the total overspend for the year, which is forecast to be £10.5m. The IJB has approached partners, the Council and NHS Grampian, to confirm that additional funding will be required to bring them back into balance for financial year 2024/25.

Further analysis of the IJB variance can be seen in Appendix 2.

BP Aberdeen Hydrogen Energy Ltd (BPAHE Ltd)

BPAHE Ltd is a 50:50 joint venture between Aberdeen City Council and BP International Ltd set up on 11 March 2022. The purpose of this company is to establish a commercial hydrogen production, storage and distribution infrastructure for green hydrogen utilising renewable power to service transport in the short term. This will have the potential to be further expanded in future phases for the delivery of hydrogen power for a wide range of sectors looking to decarbonise, including fleet, heat and industry.

As at 31st December 2024, BPAHE Ltd show a deficit of £380k against budget. The portion of this deficit attributed to ACC is £190k.

Associates

Grampian Valuation Joint Board

The Grampian Valuation Joint Board was created following Local Government Re-organisation on 1 April 1996, under the Local Government (Scotland) Act 1994 and covers the local government areas of Aberdeen City, Aberdeenshire, and Moray.

The Board has reported a surplus of £692k during the period ended 31st December 2024 mainly due to continued underspends in staffing and other supplies and services.

This is a favourable variance of £754k compared to the budgeted deficit of £61K.

The portion of the underspend attributable to ACC is £294k.

Non-Material Interest in Other Entities

On the grounds of materiality, the North East Transport Partnership (NESTRANS), Grampian Venture Capital Fund Ltd, Strategic Development Planning Authority and Scotland Excel have to date been excluded from the Group Accounts, and therefore are not disclosed in the quarterly monitoring.

More information on these relationships can be found in the Council's Annual Accounts for 2023/24.